

Request for Proposal

Management/Operation of
Cream Ridge Golf Course

Upper Freehold Township, Monmouth County
Responses to Questions Submitted

Issued: August 19, 2011

1. Request for information: financial, rounds played and detailed expense information for the last 3 years. (Erik Cain, KemperSports)

Answer: Revenue and rounds played are set forth in Exhibit D1. The Department has only utility expenses for the last three years, set forth in Exhibit D2 attached to the Request for Proposal.

2. Request for a copy of the current manager's agreement. (Erik Cain, KemperSports; Steve Rice, Atlantic Golf Management)

Answer: We have posted the current lease agreement for Cream Ridge Golf Course and the assignment of the lease to the Department of Environmental Protection (DEP) at http://www.njparksandforests.org/parks/business_ops/current_leases.htm. Please note that this lease agreement was not negotiated by the Department of Environmental Protection and is not a typical lease agreement for the Department.

3. Does Cream Ridge have members? What are the categories and seasonal rates? (Steve Rice, Atlantic Golf Management)

Answer: Yes, the Golf Course currently offers memberships. Information on 2011 memberships is available on the web site for Cream Ridge Golf Course: <http://www.creamridgegolfclub.com/membership.htm>.

5. Is there a gas tank on premises? Are there any underground oil tanks on the property? (Steve Rice, Atlantic Golf Management)

Answer: There is a 500 gallon above ground gasoline tank on the premises. The Department is not aware of any underground oil tanks on the property.

6. Is it possible to obtain a three year recap of all expense items and not just the major categories? (Steve Rice, Atlantic Golf Management)

Answer: See response to question #1.

7. Is it possible to obtain a list of all current positions, pay rates and status (full time or part time)? (Steve Rice, Atlantic Golf Management)

Answer: The Department does not have this information.

9. Is it possible to obtain a breakdown of the acreage of the greens, tees and fairways? (Steve Rice, Atlantic Golf Management)

Answer: The Department does not have this information.

10. 1.3.11. Related to the septic tank, since there is no existing grease tank, is the current septic tank adequate? When was the last time that it was emptied? (Steve Rice, Atlantic Golf Management)

Answer: The current operator has indicated that they have not experienced any problems with the septic tank. The septic tank was pumped out in the spring of 2011.

11. 1.5.1. Property Taxes - [The RFP] states that the Department will annually abate the property taxes related to the Greens Café. Can you provide a breakdown of the abatement for the past three years? (Steve Rice, Atlantic Golf Management)

Answer: There have been no abatements because under the current Lease Agreement and Assignment of Leases and Tenancies, the Operator/Tenant of Cream Ridge Golf Course has collected rent from Greens Café and has been responsible for paying property taxes on the entire property, including the restaurant and banquet facility.

Under the new Operating Agreement and the amended Greens Café Lease, the Department will collect rent from the Greens Café Tenant, the Operator of the Golf Course will be responsible for paying property taxes on the Golf Course Property, including Greens Café and the banquet hall and take-out area, and the Department will abate the golf course Operator for the portion of the taxes attributable to the Greens Café, banquet hall and take-out area.

Although the abatements would not take effect until 2012, the Department calculated what the abatement would be for 2011 for informational purposes only. Based on information provided by the Township of Upper Freehold and the square footage of the restaurant, banquet facility and take-out area leased by Greens Cafe, we estimate that the portion of the taxes attributable to Greens Café in 2011 is approximately \$10,000.

12. One of our immediate concerns is the food and beverage operation at Cream Ridge. Presently it is leased to an outside vendor. Does the new lessee of the golf

facility have any options to take over the food and beverage or do they have to wait until 2018 if all options are exercised. (Jerry Zwolak, The Fore Sight Management Group)

***Answer:** The Golf Course Operator will have to wait until the Greens Café Lease expires in 2018, or is terminated in accordance with the terms of the lease, before it can exercise its option to enter into an agreement with the Department to operate the restaurant/banquet facility. Section 1.2.1 of the Request for Proposal and Paragraph 14D of the Operating Agreement explain the Operator's right of first refusal with respect to the restaurant/banquet facility.*